



May 2, 2005

Durham Local Area Guidance Letter No: 07-2004

Subject: Needs-Related Payment Policy

Purpose: To provide Workforce Investment Act Service Providers with updated policy and guidance on providing Needs-Related Payments to WIA eligible participants in the Durham Local Area.

Background: The Workforce Investment Act (WIA) Section 134(e)(3) allows local workforce development boards to authorize service provider to provide needs-related payment to individuals to participate in authorized WIA activities. In order to provide a greater level of service to WIA participants, the Durham Local Area has established the following guidelines related to WIA service provider providing needs-related payments.

Action: WIA Service providers are required to provide needs-related payments in accordance with policies and guidelines set forth in Attachment A.

Effective Date: October 1, 2000 (Revised May 2, 2005)

Expiration Date: Indefinite

Contact: James Wragge, Program Operations Manager

Distribution: WIA Service Providers

A handwritten signature in dark ink, appearing to read "Pat E. Sturdivant", with a long horizontal flourish extending to the right.

Pat E. Sturdivant
Workforce Development Administrator

Attachment A

Needs-Related Payment Policy

Policy: All needs-related payments provided in the Durham Local Area will be required to adhere to the guidelines as outlined in this policy. Needs-related payments are to be considered a training stipend or allowance and are not an entitlement. Needs-related payments are based on an individual's need and must be documented in accordance with this policy. Expenses incurred related to needs-related payments that are not documented in accordance with this policy will be disallowed and the service provider will not be reimbursed.

1. Adults

a. Eligibility

- i. Be unemployed
- ii. Not qualify for, or have ceased to qualify for, unemployment compensation; and
- iii. Be enrolled full-time in a program of training services under WIA section 134(d)(4).

b. Payment Level

- i. Adult program participants eligible to receive needs-related payments may receive a weekly amount not to exceed the poverty level for an equivalent period including any income or public assistance payments the individual may be receiving (income in this case does not refer to wages related to employment, an individual is not eligible to receive needs-related payments if he/she is employed).
- ii. An individual may receive needs-based payments for a total of 13 weeks while the individual is participating in full-time training and then must re-apply to continue receiving payments.
- iii. An individual is not eligible to receive needs-related payments if the individual's GPA for the last training cycle was not 2.0 or better.
- iv. An individual's needs-related payments will be terminated if the individual's GPA falls below 2.0 at any time during a training cycle.

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2. Dislocated Workers

a. Eligibility

- i. Be unemployed
- ii. Have ceased to qualify for unemployment compensation or trade readjustment allowance under TAA or NAFTA-TAA; and
- iii. Be enrolled full-time in a program of training services under WIA section 134(d)(4) by the end of the 13th week after the most recent layoff that resulted in a determination of the worker's eligibility as a dislocated worker, or, if later, by the end of the 8th week after the worker is informed that a short-term layoff will exceed 6 months; or
- iv. Be unemployed and did not qualify for unemployment compensation or trade readjustment assistance under TAA or NAFTA-TAA.

b. Payment Level

- i. For participants who were eligible for unemployment compensation as a result of the qualifying dislocation, the payment may not exceed the applicable weekly level of the unemployment compensation benefit; or
- ii. For participants who did not qualify for unemployment compensation as a result of the qualifying layoff, the weekly payment may not exceed the poverty level for an equivalent period including any income or public assistance payments the individual may be receiving (income in this case does not refer to wages related to employment, an individual is not eligible to receive needs-related payments if he/she is employed).
- iii. An individual is not eligible to receive needs-related payments if the individual's GPA for the last training cycle was not 2.0 or better.
- iv. An individual's needs-related payments will be terminated if the individual's GPA falls below 2.0 at any time during a training cycle.
- v. An individual may receive needs-based payments for a total of 13 weeks while the individual is participating in full-time employment and then must re-apply to continue receiving payments.

3. Adult and Dislocated Documentation Requirements

- a. WIA service providers must document through interview, assessment, and case management a participant's need to receive supportive services. This documentation must include the following:
 - i. Documentation of all income sources and family members for a participant's family on the "Income and Family Status Worksheet". This requires source documentation in the participant's file to verify each family member (e.g. birth certificates, IRS tax records, etc.)
 - ii. Documentation of full-time enrollment in an eligible training program approved by the Durham Local Area on the North Carolina State Training Accountability and Reporting System (NCSTARS).

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